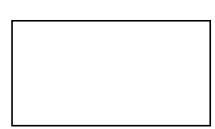
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State Department review completed



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Central Intelligence Bulletin

Secret

Nº 041

13 July 1973

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Memorandum for Recipients of Secret-level CIB

The Central Intelligence Agency has decided to stop publishing the secret-level Central Intelligence Bulletin. The last edition will be issued on Saturday, 14 July 1973.

CIA, mindful of the need in some quarters for a daily intelligence summary at the secret level, plans to produce four regional briefs--covering East Asia, Middle East/Africa, Europe, and Western Hemisphere. These will be filed electrically four days a week: Monday, Tuesday, Wednesday, and Friday. On Thursday, these regional briefs will be replaced by a worldwide brief based on the Agency's Weekly Summary.

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WEST GERMANY: Bundesbank may get additional powers.
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MEXICO: Seeks exception to US controls on ferrousscrap exports. (Page 3)

The allies are continuing to express NATO: concern that the US-Soviet agreement on preventing nuclear war may have detrimental implications for the Alliance.

The chief of the Italian foreign ministry's NATO office has said that the agreement appears to undercut NATO's strategy of flexible response. Specifically, he thinks the agreement to consult prior to the use of nuclear weapons conflicts with a 1969 document, agreed to by the US, providing that NATO would decide the form, content, and timing of any message to be sent to an enemy concerning the allies' intention to initiate the tac-The Italian also tical use of nuclear weapons. believes that the US-Soviet agreement is potentially dangerous because it eliminates the element of surprise that is essential to the strategy of flexible response. Belgian Prime Minister Leburton has remarked that he welcomes the agreement and has no reservations about it, but there are lingering doubts in the Belgian foreign office.

Because of the general concern of West European countries about their security situation and the specific possibility of a reduced US role, doubts about the US-Soviet agreement are likely to persist. An Italian official claims that West European representatives will soon meet in Brussels to analyze the agreement jointly.

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EAST - WEST GERMANY: Newly imposed East German restrictions on West Berliners' visits to East Berlin and recriminations over the wall shootings on 7-8 July may temporarily impede progress in inter-German relations.

The East Germans, as they had earlier announced, have begun to reject applications by West Berliners to visit East Berlin during the World Youth Festival (28 July - 5 August). The Honecker regime has carefully prepared the festival as a major Communist propaganda event and apparently fears that the presence of West Berlin "provocateurs" would mar the occasion.

West Berlin officials are lodging an official protest on the grounds that the ban violates existing travel agreements. Their efforts to keep the protest low-key have been hampered by the fact that the East German action has already become public knowledge.

West Germans and West Berliners, previously angered over the shootings at the wall, are evidently in a mood to vent their feelings in public. An East German charge that the protest march to the wall by West Berliners on 8 July was a "serious provocation," and sharp rebuttals from West Berlin and Bonn, are likely to heat up the atmosphere.

Despite increasing tensions, both governments appear to have an interest in avoiding an escalation of the situation. Egon Bahr, Bonn's chief promoter of improved relations, has stated that public demands in West Germany for East Germany to abolish its "shoot to kill" orders are not realistic. For their part, the East Germans have released the West Berliner who on 9 July stormed through Checkpoint Charlie shouting "murderers."

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WEST GERMANY: The cabinet is discussing a new law to strengthen the credit-policy powers of the Bundesbank, which has been the most effective anti-inflationary force in recent years. The bank has often pressed for additional powers, particularly the ability to make substantial increases in the minimum reserve requirements it can levy on commercial banks' liabilities. Concerned by record inflation rates, the cabinet may also consider additional measures, such as imposing credit ceilings and extending the reserve power to cover banks' lending.

MEXICO: Industrialists are seeking an exception to the US embargo on large shipments of ferrous scrap. Because steel production has outstripped pig iron output, Mexico's scrap imports through May amounted to half a million tons, up about 130 percent over the corresponding period last year. Unless alternative supplies can be found--and this is not likely--the US restrictions could set back Mexican steel output by at least 10 percent and thus reduce production in the automobile, machinery, and other steel-using industries. The Mexicans contend that the US scrap shortage is due to purchases by Japan and other countries, not by Mexico. By taking nearly 10 percent of US ferrous-scrap exports, however, Mexico is second to Japan in such purchases.

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